GOVERNMENT OF INDIA
DEFENCE
LOK SABHA

UNSTARRED QUESTION NO:2110
ANSWERED ON:27.08.2007
RATE PURCHASE SYSTEM FOR GOODS
Manoj Dr. K.S.

Will the Minister of DEFENCE be pleased to state:

(a) whether the Government is continuing the rate purchase system for goods in the defence forces;

(b) if so, the details thereof;

(c) whether the Public Sector Undertakings have been given any preference over private enterprises on such purchases; and

(d) if so, the details thereof?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF DEFENCE (SHRI A.K. ANTONY)

(a) to (d): The purchase of goods for defence forces is governed by Defence Procurement Manual (DPM) for revenue procurement and Defence Procurement Procedure (DPP) for capital acquisitions. DPM and DPP provide for purchases against a Rate Contract (RC). An RC is an agreement between the purchaser and the supplier to supply stores at specified prices during the period covered by the contract. Rate contracts for general nature items are concluded by the Director General of Supplies & Disposal (DGS&D) and the same are made use of by the different wings of the defence forces based on their requirements. Further, RCs are also entered into by the procurement wings of the defence forces for their specific requirements. Purchases from Public Sector Undertakings (PSUs) are done as per the policy laid down by the Government from time to time and as per the requirements of defence forces.